Frequently Asked Questions

Performance Benchmarks

How will company transition rates be calculated?

The Phase I to Phase II transition rate is the ratio of Phase II awards to Phase I awards received over a specified period. Each agency has selected the period of time to be used for assessing transition rates and the required benchmark rate they will use. Agency time periods and benchmark rates are posted here. If an agency uses a 5 year period, it counts an applicant's total number of Phase I awards over the last 5 fiscal years, excluding the most recently completed fiscal year; and the total number of Phase II awards over the last 5 fiscal years, including the most recently completed year.

If there is a mistake with my transition rates, how do I dispute that?

If you believe your company's transition rate was calculated incorrectly, you may notify SBA, provide the necessary award information, and request a revision of the rate. Please send us an inquiry here.

Where can I find more information on the benchmarks?

You can read more about the benchmarks here or see the Policy Directive.

How is the agency benchmark rate applied?

When you submit an application, the agency will check to see if your firm has received more than 20 Phase I awards over the applicable period (5 or 10 years). If so, it will then check to see if your firm's transition rate meets or exceeds the agency's benchmark rate. If an agency uses a transition rate benchmark of 25%, that means that you must have received at least one Phase II award for every 4 Phase I awards over the applicable time period. If your transition rate does not meet or exceed the benchmark rate, then you will not be eligible to receive a new Phase I award from that agency for one year from the date of the application submission. You will still be allowed to complete any previous and ongoing awards, and may (and are encouraged to) apply for new Phase II or Phase III awards.